



WCXU 97.7

Caribou &  
Esque Isle, ME

WCXX 102.3

Madawaska, ME  
Edmundston, NB

WCXV 98.1

Van Buren, ME  
Grand Falls, NB

W276AY 103.1

Fort Kent, ME  
Clair, NB

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COMMENTS IN RESPONSE TO REPORT ON BROADCAST LOCALISM and  
NOTICE OF PROPOSED RULE MAKING  
**MB Docket 04-233**

To the degree that localism in radio has diminished in the eyes of the Federal Communications Commission it should, to no small degree, find the fault at the feet of its ever meddling (perhaps well-meaning) Commissioners and their staffs, a group with a horrible history of failing to foresee unintended consequences and market limitations.

As a small town broadcaster of 50 years, I am now one of a small minority who are *owners-in-the-store* of commercial radio stations in Maine: 21 out of 100 commercial licenses. In my time I have witnessed the Commission's schizophrenic regulatory mood swings and fear yet another.

Docket 80-90, designed to offer the public greater diversity provided more radio outlets than society could feed. Allegedly the original trade-off was that with increased competition broadcasters would be given relief from many archaic and costly regulatory burdens. As a result of the economy's lack of a sustainable support for hundreds of new radio outlets, the 7-7-7 rule was imploded in the hopes of finding a way for these new voices to receive sufficient oxygen. Now with mega-nationals controlling about 75% of the radio licenses and roughly 90% of the high power (50KW and 100KW) commercial FM licenses in Maine, localism has morphed for two reasons.

One is absentee out-of-state ownership.

Two is the diminished financial condition brought on by decreased market share exacerbated by increased competition from within and outside the traditional AM / FM spectrum.

As with TV, we have substituted quantity for quality, financially dividing the pie pieces so thin that broadcasters have, out of necessity, rationed resources and consolidated costs. In many small markets, it has been a matter of survival. The Commission has issued 136 AM/FM/TV licenses in Maine: one for every 94-hundred people in the state; one for every 48-hundred households based on the 2000 Census. It has issued a vast majority of those licenses to out-of-state – non local - conglomerates.

The Commission's proposed rule making will not advance localism. It will diminish it further as have those before this.

If our case is an example, we operate three FM stations and one translator. All are in the same county, a chunk of real estate larger than Connecticut and Rhode Island combined – about the size of Israel or New Jersey – yet we reach but 70% of 72,047<sup>(1)</sup> Aroostook County's residents. If each and every one of those people were listening to us the numbers would still be markedly smaller than the captive audience of a public address system announcer at an NFL game or a NASCAR event. Our 'flagship' is in a city of fewer than 8,300<sup>(2)</sup> (Caribou), another is in a town of less than 4,300 <sup>(2)</sup> (Madawaska) and the third in a community of about 2,600 <sup>(2)</sup> (Van Buren). The translator is in a fourth town, Fort Kent at the northern terminus of US Route 1. In each case it is the only commercial FM service licensed to their respective communities, and none of our stations reach into any of Maine's other 15 counties.

Our programming is simulcast on all four, but produced locally by us – in Caribou - save for CNN network newscasts at the top of each and every hour - 24 / 7. That local content includes 10 Caribou originated news reports daily, Monday through Friday, seven of them 15 minutes in length. This county has no daily newspaper and is, on average, about 180 miles from the nearest U.S. city where a daily is published. There is one commercial TV station. Our local / regional news commitment is possible, only because we network our stations in order to achieve market size equal to the minimum critical mass required for sustainability in an area this impoverished<sup>(3)</sup> where we must compete with three high power out-of-state commonly owned FM facilities all licenses to Presque Isle, the only commercial FM facilities so licensed to the county's principle city.

All (three of) our shareholders/directors/officers work full time for our stations wearing a multitude of hats: CEO, COO, news director, newscaster, field reporters, tape editors, copy writers, sports director, chief operator – including equipment repair, morning show personality, traffic manager, accounts receivable bookkeeper, sales manager, I-T tech, building and grounds superintendent (snow shoveling, grass cutting, trash disposal, repairs), human resources manager, purchasing agents, street salesman, receptionist, music director, telephone operators, public and community relations, dish washers, legal compliance officer, station log inspector, policy makers, budget drafters, bill collectors, remote broadcast personalities. And while we are not paid by the hour, our compensation is approximately equal to what we pay other members of our staff – or less.

How much more do you expect us to do? How much more do you want us to give? How much more local can we get?

If we are required to staff and program each of our stations in the two smaller communities separately the financial impossibility of that will darken them both within

days, taking down the mother ship leaving the Aroostook market almost exclusively to Citadel's three Presque Isle based facilities, all of which are, and have been for years, primarily programmed out-of town.

Unlike Boston with 12,000 people per square mile, Aroostook County has fewer than 12-people per square mile; a most finite limit on talent, clients, listeners, and budgets. Try as I might, that is an economic reality I can not massage into a loaves and fishes scenario even with 50 years of experience. And the other reality is the 'the county' continues to grow smaller: (4)

1960	1970	1980	1990	2000	2007
106,064	96,510	91,344	86,936	73,938	72,047

If, from this small and diminishing population we are able to find the dozen qualified additional full-time equivalent people it would require to comply with the several proposals encompassed in this NPRM (a doubling of our FTE staff today) and hire them at the \$10 an hour we currently pay it would increase our payroll expense by more than a quarter of a million dollars and generate a loss equal to that amount. Because we program locally, we have, on average, been a break even operation. (At \$10 an hour, we are not likely to attract new people into the area – a place 300 miles north of Portland, Maine; a place north of most of Canada's population; a place that experienced 197.8 inches of snow this winter – so far.

It was the Commission's decision decades ago to allow the market place to decide what it wanted from its radio broadcasters. Now with I-Pods, Satellite radio and a growing number of radio station selections available via the internet the public have a wider range of choices than ever before while the squeeze on small market radio is nothing less than excruciating. This comes at a time when our electric rates increased by 50% - this year alone, heating costs have jumped by 34.6% in the last 12 months, and sales expenses are due to rise markedly because gasoline prices here are \$3.75 a gallon today, an increase of 66 cent in the last year.

Supporting this northern Maine economy is paper making, forest products and farming. All these require the trucking industry to move products to market – meaning diesel fuel. That is now priced at \$4.40 a gallon, an increase of \$1.48 in the last year seriously threatening both the producers and the truckers. Indeed several independent truckers have suspended operations.

The idea of "mandated permanent community advisory boards" is bureaucracy attempting to procreate itself. Those of us in the community: owners, managers, sales reps, announcers and journalists get comments, criticisms, questions, objections, corrections – and but mostly praise and compliments at every turn. I am unable to sit-down at a restaurant, stand-up at a remote broadcast, or walk past a telephone without hearing from some member of the public, officialdom, public relations type or special interest individuals (like school superintendents), comment on our programming, ask us to cover something for them, inquire as to our plans

to editorialize on a given subject or ask us to air a public service announcement. To empanel a Board to debate which songs we play, what news events we cover, what high school or college games we broadcast, or what disc jockeys may or may not say is one of the least appetizing ideas I've heard from a Commission that during the past five decades has generated a plethora of non-productive nightmares.

Thoughts to consider regarding localism:

- A. Define localism out of the box – beyond the corporate limits of the city of license.
- B. Do not encumber broadcasters with any additional administrative expenses. That will certainly reduce local content and local service further as cost shifting will surely be required. Maintaining the 25 mile rule for main studios is an important aspect of this. We would advocate expanding the rule to allow the main studio to be within 25 miles of the city of license or anywhere in the “county” of license. Any requirement for us to rent, equip, and staff an in-town facility as a Main Studio for our station in the community with 2,600 people will result in us taking this facility off the air solely because of our financial inability to comply - not to mention the lack of any potential return on investment. This community is tucked on the floor of a river valley seriously shadowed from the next nearest US commercial stations by distances of 25.24 miles, ours at Caribou; and 27.2 miles, Citadel's at Presque Isle. The distances are transmitter sites to post office.
- C. It should be noted that the three FM radio station frequencies we employ, 97.7 at Caribou, 102.3 at Madawaska, and 98.1 at Van Buren, all Maine, had been on the FM Table of Allotments, CFR 47 72.202(b) for decades unused and unwanted. We constructed these stations from scratch.
- D. Recognize small markets as not being on an economic par with medium and large markets with full knowledge that the cost of compliance is not proportional. The heaviest burden is on the small market local broadcaster. The Small Business Administration says it costs small business 45% more to comply with governmental regulations than it does large business.<sup>(5)</sup>
- E. Reduce spectrum fees for stations that program a given percent of local content. Perhaps a sliding scale: 10% off for 10% local content. 90% off for 90% local content. I would further suggest the same with the Commission's ‘application fee structure.’ Please know that Spectrum fees cost us “a month of Sundays” – no, make that two months of Sundays worth of revenue.

- F. Eliminate the Public Inspection File requirements allowing us to devote that energy to more productive purposes. In 50 years NOT ONE MEMBER OF THE PUBLIC has ever asked to see the public file(s) of any station I've been associated with. Given the FCC's web site, the public can now view virtually everything imaginable about the station, its licensee, and its relationship with the FCC.
  
- G. While we proudly play the music of local artists on a regular basis, mandating same is to have the federal government become the de facto program / music director of every station in the county. Should the Commission begin to monitor our music for local content, I'm sure that not far off will be the requirement that we allow local authors to read their books, local artist to show their works on TV and on our web sites, local poets to deliver their verses, local college/university professors to expound their theories and local religious leaders to preach their theology,

We strongly suggest that instead of micro-managing radio stations via increased regulation, the Commission find creative ways with positive reinforcement to encourage broadcasters to increase community involvement. That can usually be done with money / grants.

Respectfully submitted,

Dennis Curley  
President

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(1) US Bureau of the Census, July 1, 2007 Estimate

(2) US Bureau of the Census, April 1, 2000 Enumeration

(3) US Bureau of Census, 2005 Survey

	<u>Percentage in Poverty</u>	<u>Median Household Income</u>
U.S.	13.3%	\$46,242
Maine	12.3%	42,648
Aroostook County	16.6%	31,556

(4) Various US Bureau of the Census reports

(5) SBA's Tom Sullivan to a Committee of the Maine Legislature, June 2007